

State of Alaska FY2005 Governor's Operating Budget

Department of Labor and Workforce Development Labor Standards and Safety Results Delivery Unit Budget Summary

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Labor Standards and Safety Results Delivery Unit

Contribution to Department's Mission

Labor Standards and Safety contributes to the Department's mission by providing safe and legal working conditions.

Core Services

Occupational safety and health law enforcement, training and consultation.

Wage law enforcement and training.

Prevailing wage and Alaska resident hire law enforcement and training.

Electrical and mechanical code compliance inspections and training.

Certification of electricians, power linemen, plumbers, blasters, painters and asbestos workers.

End Results	Strategies to Achieve Results
<p>(1) Eliminate the number of workplace fatalities caused by circumstances that are under Alaska Occupational Safety and Health control.</p> <p><u>Target:</u> Zero accidental workplace fatalities. <u>Measure:</u> The number of accidental workplace fatalities compared to the previous year.</p> <p>(2) Reduce the number of worker lost time injuries and illnesses in the workplace that are within Alaska Occupational Safety and Health jurisdiction.</p> <p><u>Target:</u> 2% reduction in the rate of workplace lost time injuries and illnesses per 100 employees. <u>Measure:</u> The rate workplace lost time injuries and illnesses per 100 employees compared to the previous year.</p> <p>(3) Reduce hazards to life and property posed by unsafe boilers and pressure vessels within Mechanical Inspection's jurisdiction.</p> <p><u>Target:</u> Zero loss of life or property caused by unsafe boilers or pressure vessels. <u>Measure:</u> Total number of boiler or pressure vessel incidents resulting in loss of life or property.</p> <p>(4) Reduce hazards to life and property posed by unsafe electrical/plumbing work within Mechanical Inspection's jurisdiction that fails to meet current codes.</p> <p><u>Target:</u> Zero loss of life or property due to unsafe electrical/plumbing work. <u>Measure:</u> Total number of electrical/plumbing incidents</p>	<p>(1) Reduce the number of worker fatalities under AKOSH control by focusing compliance, consultation and outreach efforts on the causes of fatalities.</p> <p><u>Target:</u> 2% reduction in the number of workplace fatalities per 100,000 employees compared to the previous year. <u>Measure:</u> The change in the number of workplace fatalities per 100,000 employees compared to the previous year.</p> <p>(2) Reduce the number of lost time worker injuries/ illnesses in the construction and transportation industries by focusing on causes.</p> <p><u>Target:</u> 2% reduction in lost time injuries and illnesses per 100 employees in the construction and transportation industries. <u>Measure:</u> The change in the rate of lost time injuries and illnesses per 100 employees in construction and transportation.</p> <p>(3) Improve voluntary compliance with Occupational Safety and Health requirements.</p> <p><u>Target:</u> Increase the number of Voluntary Protection Program (VPP) sites in Alaska by 20%. <u>Measure:</u> The percentage change in the number of VPP sites in comparison to the previous year.</p> <p><u>Target:</u> Increase the number of Safety and Health Achievement Recognition Program (SHARP) sites in Alaska by 10%. <u>Measure:</u> The percentage change in the number of SHARP sites in comparison to the previous year.</p> <p>(4) Ensure boilers and pressure vessels are</p>

End Results	Strategies to Achieve Results
<p>resulting in loss of life or property.</p> <p>(5) Reduce hazards to life and property posed by unsafe elevators, escalators, wheelchair lifts and other lifting devices within Mechanical Inspection's jurisdiction.</p> <p><u>Target:</u> Zero loss of life or property due to unsafe elevators, escalators, wheelchair lifts or other lifting devices.</p> <p><u>Measure:</u> Total number of elevator, escalator, wheelchair lift or other lifting device incidents resulting in loss of life or property.</p> <p>(6) Safe and legal work environments for children in Alaska.</p> <p><u>Target:</u> Zero child labor violations.</p> <p><u>Measure:</u> Total number of child labor violations.</p> <p><u>Target:</u> Zero child labor fatalities.</p> <p><u>Measure:</u> Number of child labor fatalities.</p> <p>(7) Increase Alaskan employment on public construction projects.</p> <p><u>Target:</u> 100% compliance with Alaska's Employment Preference Act.</p> <p><u>Measure:</u> The number of resident hire violations compared to the previous year.</p> <p>(8) Provide legal employment conditions within the Wage and Hour Administration's jurisdiction.</p> <p><u>Target:</u> Eliminate unlawful employment conditions.</p> <p><u>Measure:</u> The number of valid wage claims filed in comparison to the previous year.</p>	<p>maintained and operating to code through timely inspections.</p> <p><u>Target:</u> Reduce boiler inspection backlog by 33% per year commencing 7/01/03.</p> <p><u>Measure:</u> Annual percentage change in the number of overdue inspections in comparison to the previous year.</p> <p><u>Target:</u> 100% of boiler and pressure vessel code violations abated upon inspection.</p> <p><u>Measure:</u> Percentage of boiler and pressure vessel violations abated compared to the total number detected.</p> <p>(5) Eliminate electrical and plumbing code violations.</p> <p><u>Target:</u> 100% correction of electrical code violations identified through inspection.</p> <p><u>Measure:</u> Percentage of electrical code violations corrected compared to the total number detected.</p> <p><u>Target:</u> 100% correction of plumbing code violations identified upon inspection.</p> <p><u>Measure:</u> Percentage of plumbing code violations corrected compared to the total number detected.</p> <p>(6) Timely inspection of elevators, escalators, wheelchair lifts and other lifting devices.</p> <p><u>Target:</u> 90% of inspections completed within required inspection period.</p> <p><u>Measure:</u> Percentage of inspections completed within inspection period.</p> <p>(7) Eliminate elevator code violations.</p> <p><u>Target:</u> 100% correction of code violations identified through inspection.</p> <p><u>Measure:</u> Percentage of code violations corrected compared to the total number detected.</p> <p>(8) Eliminate unlawful child labor employment.</p> <p><u>Target:</u> 10% reduction in child labor violations while maintaining the number of child labor on-site inspections.</p> <p><u>Measure:</u> Percentage of child labor violations and the number of on-site inspections compared to the previous year.</p> <p>(9) Reduce the number of Alaska resident hire violations.</p> <p><u>Target:</u> Audit 45% of certified payrolls for compliance with Alaska resident hire requirements.</p> <p><u>Measure:</u> Percentage of certified payrolls audited.</p> <p>(10) Reduce the time and cost of resolving wage</p>

End Results	Strategies to Achieve Results
	<p>claims.</p> <p><u>Target:</u> Reduce average wage claim resolution time to 7 months or less.</p> <p><u>Measure:</u> Average claim resolution period.</p> <p>(11) Reduce wage claims by improving employer education efforts.</p> <p><u>Target:</u> Increase the number of employer briefings by 105% from the previous year.</p> <p><u>Measure:</u> The percentage change in the total number of employer briefings in comparison to the previous year.</p>

Major Activities to Advance Strategies	
<ul style="list-style-type: none"> Mechanical Inspection and Wage and Hour enforce contractor licensing and electrical and mechanical administrator licensing requirements. Mechanical Inspection enforces certification requirements for plumbers, electricians, explosives handlers, hazardous painters and asbestos workers. Mechanical Inspection inspects mechanical and electrical systems, boilers and elevators to enforce code compliance. Wage and Hour investigates wage claims and prevailing wage complaints and pursues collection of unpaid wages, benefits, penalties and interest. 	<ul style="list-style-type: none"> Wage and Hour analyzes child work permits and conducts on-site inspections to enforce child labor requirements. Occupational Safety and Health provides recognition awards for exemplary workplace safety and health programs. Occupational Safety and Health Consultation performs on-site reviews and improvements of employer safety and health programs. Occupational Safety and Health Enforcement conducts inspections, provides abatement assistance and assesses penalties when required.

FY2005 Resources Allocated to Achieve Results	
FY2005 Results Delivery Unit Budget: \$6,972,100	Personnel:
	Full time 76
	Part time 1
	Total 77

Performance Measure Detail

(1) Result: Eliminate the number of workplace fatalities caused by circumstances that are under Alaska Occupational Safety and Health control.

Target: Zero accidental workplace fatalities.

Measure: The number of accidental workplace fatalities compared to the previous year.

Number of Workplace Fatalities and Percentage Change

Year				% Change	YTD Total
2001	0	0	0	0	3
2002	0	0	0	66.67%	5
2003	0	0	0	-20%	4

Analysis of results and challenges: Alaska Occupational Safety and Health (AKOSH) will reduce workplace fatalities through a combination of consultation and enforcement activities targeted at eliminating the most prevalent causes of fatalities in industries with high fatality rates. The numerical information on workplace fatalities is maintained by AKOSH and Workers' Compensation.

(2) Result: Reduce the number of worker lost time injuries and illnesses in the workplace that are within Alaska Occupational Safety and Health jurisdiction.

Target: 2% reduction in the rate of workplace lost time injuries and illnesses per 100 employees.

Measure: The rate workplace lost time injuries and illnesses per 100 employees compared to the previous year.

Lost Workday Illness and Injury Rate Per 100 Employees and Percentage Change

Year				% Change	YTD Total
2001					3.59
2002				-9.8%	3.24
2003				-15.7%	2.73

Analysis of results and challenges: Alaska Occupational Safety and Health will reduce lost workday injuries and illnesses by targeting consultation and enforcement efforts on the most prevalent causes of illnesses and injuries in industries with the highest illness/injury rates. The primary focus will be on the construction and transportation industries. This statistic will be calculated using Alaska Workers' Compensation Insurance claim data and employment data collected by the Research and Analysis section.

(3) Result: Reduce hazards to life and property posed by unsafe boilers and pressure vessels within Mechanical Inspection's jurisdiction.

Target: Zero loss of life or property caused by unsafe boilers or pressure vessels.

Measure: Total number of boiler or pressure vessel incidents resulting in loss of life or property.

Analysis of results and challenges: The Mechanical Inspection section will strive to inspect boilers and pressure vessels by the inspection due date and eliminate code violations. The data on the number of boiler/pressure vessel incidents causing loss of life or property have not been tracked in the past. Beginning on 1/1/04, Mechanical Inspection will track the specific number of incidents causing loss of life or property as a result of unsafe boilers or pressure vessels.

(4) Result: Reduce hazards to life and property posed by unsafe electrical/plumbing work within Mechanical Inspection's jurisdiction that fails to meet current codes.

Target: Zero loss of life or property due to unsafe electrical/plumbing work.

Measure: Total number of electrical/plumbing incidents resulting in loss of life or property.

Analysis of results and challenges: Mechanical Inspection will track incidents involving the loss of life or property as a result of unsafe electrical or plumbing work. The data will be collected primarily from the Alaska State Fire Marshal. Mechanical Inspection will begin tracking this data on 1/1/2004. Mechanical Inspection will eliminate hazards to life and property by inspecting electrical and plumbing work and pursuing correction of any code or licensing violations identified.

(5) Result: Reduce hazards to life and property posed by unsafe elevators, escalators, wheelchair lifts and other lifting devices within Mechanical Inspection's jurisdiction.

Target: Zero loss of life or property due to unsafe elevators, escalators, wheelchair lifts or other lifting devices.

Measure: Total number of elevator, escalator, wheelchair lift or other lifting device incidents resulting in loss of life or property.

Analysis of results and challenges: This data has not been tracked in the past. Beginning 1/1/2004, Mechanical Inspection will track incidents causing loss of life or property associated with unsafe elevators, escalators, wheelchair lifts and other lifting devices. Mechanical Inspection will reduce hazards by striving to inspect elevators, escalators, wheelchair lifts and other lifting devices within the inspection due dates. Upon discovering a code violation, Mechanical Inspection will work to eliminate the violation.

(6) Result: Safe and legal work environments for children in Alaska.

Target: Zero child labor violations.

Measure: Total number of child labor violations.

Number of Child Labor Violations and Annual Percentage Change

Year				% Change	YTD Total
2001	0	0	0	0	121
2002	0	0	0	55%	188
2003	0	0	0	68%	315

Analysis of results and challenges: Child Labor violations are investigated and resolved through actions to cease the violation and/or penalize the employer. Violations are identified through on-site inspections, work permit application reviews and complaints. Wage and Hour maintains the data on the number of child labor violations. Wage and Hour Investigators will reduce the number of violations by focusing efforts on educating employers about child labor legal requirements.

Target: Zero child labor fatalities.

Measure: Number of child labor fatalities.

Number of Child Labor Fatalities and Annual Percentage Change

Year				% Change	YTD Total
2002	0	0	0	0	1
2003	0	0	0	0	1

Analysis of results and challenges: Wage and Hour maintains statistics on child labor fatalities in Alaska. Wage and Hour identifies and eliminates violations through on-site inspections, work permit application reviews and complaints. Wage and Hour targets industries such as fish processing and retail where child employment is high. Wage and Hour also provides briefings to employers and children to promote awareness of child labor laws and safety issues. Data are not available for 2001.

(7) Result: Increase Alaskan employment on public construction projects.

Target: 100% compliance with Alaska's Employment Preference Act.

Measure: The number of resident hire violations compared to the previous year.

Number of Alaska Employment Preference Violations and Percentage Change

Year				% Change	YTD Total
2001	0	0	0	0	40
2002	0	0	0	-60%	16
2003	0	0	0	-19%	13

Analysis of results and challenges: Wage and Hour currently tracks the number of employment preference violations. While the statistics show a decrease in violations, this is likely due to reduced enforcement staffing over the past several years. With proposals to increase staffing responsible for identifying employment preference

violations in FY 2005, Wage and Hour Investigators may have difficulty resolving all of the violations identified. The number of violations is expected to increase as the enforcement effort increases and then decrease as the enforcement effort stabilizes.

(8) Result: Provide legal employment conditions within the Wage and Hour Administration's jurisdiction.

Target: Eliminate unlawful employment conditions.

Measure: The number of valid wage claims filed in comparison to the previous year.

Number of Valid Wage Claims and Annual Percentage Change

Year				% Change	YTD Total
2001	0	0	0	0	555
2002	0	0	0	-25%	417
2003	0	0	0	-10%	375

Analysis of results and challenges: Wage and Hour tracks wage claims filed and determines the validity of those claims. Wage and Hour investigates claims, offers conferences and persuasion to resolve claims informally, and pursues court action when necessary to enforce wage payment laws. With increased efforts to provide employer/employee conferences and seminars, Wage and Hour has experienced a decrease in the number of valid wage claims filed for the past three years.

(1) Strategy: Reduce the number of worker fatalities under AKOSH control by focusing compliance, consultation and outreach efforts on the causes of fatalities.

Target: 2% reduction in the number of workplace fatalities per 100,000 employees compared to the previous year.

Measure: The change in the number of workplace fatalities per 100,000 employees compared to the previous year.

Fatality Rate Per 100,000 Employees and Annual Percentage Change

Year				% Change	YTD Total
2001	0	0	0	0	1.05
2002	0	0	0	+63%	1.71
2003	0	0	0	-21%	1.35

Analysis of results and challenges: This statistic will be calculated using workplace fatality reports submitted to the Alaska Occupational Safety and Health (AKOSH) section and employment statistics maintained by Research and Analysis. AKOSH will reduce workplace fatalities through a combination of consultation and enforcement activities targeted on eliminating the most prevalent causes of fatalities in industries with high fatality rates.

(2) Strategy: Reduce the number of lost time worker injuries/ illnesses in the construction and transportation industries by focusing on causes.

Target: 2% reduction in lost time injuries and illnesses per 100 employees in the construction and transportation industries.

Measure: The change in the rate of lost time injuries and illnesses per 100 employees in construction and transportation.

Lost Workday Illness/Injury Rate for Construction and Transportation and Percentage Change

Year	Trans. Rate	% Change	Const. Rate	% Change	YTD Total
2001	3.53		7.59	0	
2002	3.5	-9%	7.39	-3%	
2003	3.1	-11%	6.16	-17%	

Analysis of results and challenges: Alaska Occupational Safety and Health (AKOSH) will reduce illnesses and injuries by targeting consultation and enforcement efforts on the causes of lost work illnesses and injuries in

construction and transportation. AKOSH obtains illness and injury data from Workers' Compensation insurance claim data and employment statistics maintained by Research and Analysis.

(3) Strategy: Improve voluntary compliance with Occupational Safety and Health requirements.

Target: Increase the number of Voluntary Protection Program (VPP) sites in Alaska by 20%.

Measure: The percentage change in the number of VPP sites in comparison to the previous year.

Number of VPP Sites and Annual Percentage Change

Year				% Change	YTD Total
2000					0
2001				+200%	2
2002				+50%	3
2003				+67%	5

Analysis of results and challenges: This data will be compiled using information collected by Alaska Occupational Safety and Health (AKOSH). AKOSH will increase Voluntary Protection Program (VPP) participation through promoting the benefits of the program to businesses. Consultants will work in partnership with employers to assist with development, implementation and maintenance of occupational safety and health programs and performance necessary to meet VPP Standards.

Target: Increase the number of Safety and Health Achievement Recognition Program (SHARP) sites in Alaska by 10%.

Measure: The percentage change in the number of SHARP sites in comparison to the previous year.

Number of SHARP Participants and Annual Percentage Change

Year				% Change	YTD Total
2000					0
2001				+100%	1
2002				+300%	4
2003				+150%	10

Analysis of results and challenges: This data will be collected from information collected and maintained by Alaska Occupational Safety and Health. AKOSH will increase Safety and Health Achievement Recognition Program (SHARP) participation through promoting the benefits of the program to businesses. Consultants will work in partnership with smaller employers having less than 500 employees to assist with development, implementation and maintenance of occupational safety and health programs and performance necessary to meet SHARP Standards.

(4) Strategy: Ensure boilers and pressure vessels are maintained and operating to code through timely inspections.

Target: Reduce boiler inspection backlog by 33% per year commencing 7/01/03.

Measure: Annual percentage change in the number of overdue inspections in comparison to the previous year.

Number of Overdue Inspections and Annual Percentage Change

Year				% Change	YTD Total
2001					6200
2002				+16%	7200
2003				-27%	5268

Analysis of results and challenges: Mechanical Inspection tracks boiler/pressure vessel inspection due dates and inspection certifications. Boiler Inspectors make every attempt to complete inspections for all boilers/pressure vessels due for inspection, while eliminating overdue boilers/pressure vessels from the backlog.

Target: 100% of boiler and pressure vessel code violations abated upon inspection.

Measure: Percentage of boiler and pressure vessel violations abated compared to the total number detected.

Percentage of Boiler/Pressure Violations Abated

Year			# Violations	# Abated	YTD Total
2001			1434	1152	80%
2002			905	636	70%
2003			1242	809	65%

Analysis of results and challenges: Mechanical Inspection currently tracks the number of code violations identified during inspections and verifications of corrections. Inspectors will inspect boilers and pressure vessels for code compliance and focus on pursuing enforcement actions to obtain verifications that code violations have been corrected. The number of code violations corrected is affected by the timing of the correction. Corrections may not be realized until the following year. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase this percentage.

(5) Strategy: Eliminate electrical and plumbing code violations.

Target: 100% correction of electrical code violations identified through inspection.

Measure: Percentage of electrical code violations corrected compared to the total number detected.

Percentage of Code Violations Verified Corrected

Year			# Violations	# Corrected	YTD Total
2001	0	0	768	534	69%
2001	0	0	287	221	77%
2003	0	0	666	259	39%

Analysis of results and challenges: Mechanical Inspection tracks code violations identified and the number of verified code corrections. Inspectors physically review electrical work during random on-site inspections to verify that code requirements are met. The % change in code violations corrected is affected by the number of violations that are corrected in the year they are identified. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase this percentage.

Target: 100% correction of plumbing code violations identified upon inspection.

Measure: Percentage of plumbing code violations corrected compared to the total number detected.

Percentage of Code Violations Verified Corrected

Year			# Violations	# Corrected	YTD Total
2001			243	136	56%
2002			176	70	40%
2003			565	262	46%

Analysis of results and challenges: Mechanical Inspection tracks code violations identified and the number of verified code corrections. Inspectors physically review plumbing work during random on-site inspections to verify that code requirements are met. The percent change in code violations corrected is affected by the number of violations that are corrected in the year they are identified. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase the percentage.

(6) Strategy: Timely inspection of elevators, escalators, wheelchair lifts and other lifting devices.

Target: 90% of inspections completed within required inspection period.

Measure: Percentage of inspections completed within inspection period.

Analysis of results and challenges: Mechanical Inspection does not currently track the number of inspections completed within the inspection due date. Effective January 1, 2004, Mechanical Inspection will begin tracking this data. Elevator inspectors perform biennial visual inspections of elevators, escalators, wheelchair lifts and other lifting

devices for code compliance. Achievement of this result will depend on whether the ratio of elevators to elevator inspectors can be maintained at 275 to one.

(7) Strategy: Eliminate elevator code violations.

Target: 100% correction of code violations identified through inspection.

Measure: Percentage of code violations corrected compared to the total number detected.

Percentage of Code Violations Verified Corrected

Year			# Violations	# Corrected	YTD Total
2001			708	377	53%
2002			819	315	38%
2003			1128	589	52%

Analysis of results and challenges: Mechanical Inspection maintains data on elevator inspections, code violations and abatements. Elevator Inspectors strive to perform timely, visual inspections of elevators, escalators, wheelchair lifts and other lifting devices for code compliance. The number of code violations corrected is affected by the number of violations that are not corrected in the same year. Inspectors will focus efforts on receiving timely verification of code violation abatements to increase this percentage.

(8) Strategy: Eliminate unlawful child labor employment.

Target: 10% reduction in child labor violations while maintaining the number of child labor on-site inspections.

Measure: Percentage of child labor violations and the number of on-site inspections compared to the previous year.

Number of Child Labor Violations and Annual Percentage Change

Year				% Change	YTD Total
2001					121
2002				+55%	188
2003				+68%	315

Analysis of results and challenges: The Wage and Hour Administration currently tracks the numbers of child labor violations identified and the number of on-site inspections performed. Through increased focus on providing seminars and training sessions to employers and children, Wage and Hour will increase awareness of child labor requirements. Upon identifying a violation, Wage and Hour will eliminate the violation with appropriate enforcement action up to and including criminal prosecution for extremely serious violations.

(9) Strategy: Reduce the number of Alaska resident hire violations.

Target: Audit 45% of certified payrolls for compliance with Alaska resident hire requirements.

Measure: Percentage of certified payrolls audited.

Percentage of Certified Payrolls Audited and Annual Percentage Change

Year		# Received	# Audited	% Change	YTD Total
2001		N/A	6428		N/A
2002		N/A	6653	+4%	N/A
2003		N/A	4853	-27%	N/A

Analysis of results and challenges: Wage and Hour does not currently monitor the number of certified payrolls collected. Consequently, although statistics are maintained for the number of certified payrolls audited, the percentage of certified payrolls audited is not yet available. Beginning 1/1/04, Wage and Hour will count all certified payrolls submitted and all payrolls audited. The number of certified payrolls audited is not expected to increase with current staffing levels. Currently, certified payrolls are only targeted for auditing when a complaint is received. However, with the addition of two Wage and Hour Technicians in FY 05, Wage and Hour intends to audit 45% of certified payrolls. This increased enforcement activity will lead to an increase in employment preference violations and then a decrease once the enforcement activity stabilizes.

(10) Strategy: Reduce the time and cost of resolving wage claims.

Target: Reduce average wage claim resolution time to 7 months or less.

Measure: Average claim resolution period.

Average Number of Months to Resolve Wage Claims and Annual Percentage Change

Year				% Change	YTD Total
2001					8.9
2002				-33%	6
2003				+35%	8.1

Analysis of results and challenges: The Wage and Hour Administration tracks the average length of time required to resolve wage claims. By reviewing wage claims more frequently and creating standards for case resolution times, Wage and Hour expects to increase claims handling efficiency.

(11) Strategy: Reduce wage claims by improving employer education efforts.

Target: Increase the number of employer briefings by 105% from the previous year.

Measure: The percentage change in the total number of employer briefings in comparison to the previous year.

Number of Employer Briefings and Annual Percentage Change

Year				% Change	YTD Total
2001					6748
2002				-9%	6161
2003				+47%	9046

Analysis of results and challenges: The Wage and Hour Administration currently tracks the number of employer briefings. This strategy will be achieved through continued efforts to provide seminars, on-site visits, and quick and accurate responses to employer inquiries.

Key RDU Challenges

The Alaska Occupational Safety and Health program will be in the first year of the five-year strategic performance plan required by the federal Occupational Safety and Health Administration. Meeting the fatality and injury reduction objectives will require increased consultation and enforcement efforts.

The Wage and Hour Administration focuses significant resources on child labor compliance. Child labor work permits and investigations have increased over the past decade with no increase in Wage and Hour positions and, as a result, the division will be challenged to provide adequate protection for child employees.

The Governor's budget proposal enables the Department to reestablish two Wage and Hour Technicians to audit certified payrolls and improve Alaska resident hire compliance.

In Mechanical Inspection, efforts to decrease the boiler and pressure vessel inspection backlog continue. With the two new inspectors hired in FY 2003 and the ability to retain current staff, the section will eliminate the backlog by the end of FY 2008.

Mechanical Inspection is experiencing difficulties locating a qualified Elevator Inspector to fill a vacancy. Due to the relatively low number of elevator tradespersons in Alaska, the division may be forced to recruit outside the state of Alaska to fill this vacancy. The elevator inspection backlog is expected to increase as a result of this vacancy.

Cash flows in the Mechanical Inspection section are extremely strained due to increased operating costs. As Mechanical Inspection is primarily funded through fees charged for services provided by inspectors, staff turnover in revenue generating positions or unforeseen cost increases could create major fund sufficiency challenges. The section is pursuing fee increases to assist with the cash flow problem and to cover increases in operating costs.

Significant Changes in Results to be Delivered in FY2005

Labor Standards and Safety will delete the Chief of Occupational Safety & Health, Chief of Labor Standards, the Assistant Chief of Mechanical Inspection and an Administrative Clerk III position. This will streamline the organization by eliminating a layer of middle management and redistributing tasks.

The Mechanical Inspection section expects to reduce the boiler/pressure vessel backlog by 33% from the previous year.

Through legislation, the Mechanical Inspection section plans to increase certificate of fitness fees for plumbers and electricians to fund an additional inspector and cover increased program costs.

The Mechanical Inspection section is budgeting an increase in program receipt authority to cover the costs associated with the certificate of fitness program for asbestos handlers, explosive handlers and hazardous painters. This funding will allow for this certificate of fitness program to be maintained in Mechanical Inspection.

The Wage and Hour Administration will increase resident hire enforcement efforts with the addition of two Wage and Hour Technician positions. To reach the goal of auditing 45% of certified payrolls to identify resident hire violations on public construction projects, these positions will be required to audit up to 6,750 of the 15,000 certified payrolls received every two weeks. The identification of resident hire violations is expected to increase initially and then decrease as the enforcement activity stabilizes.

The Wage and Hour Administration intends to reduce child labor violations by 10% in FY 2005.

Through legislation, the Wage and Hour Administration plans to create a fee for flexible work hour plan approvals. The fee will help ensure that flexible work hour plans remain current and that funding is available for plan review and administration.

The Occupational Safety and Health Administration intends to reduce rates for workplace injuries and illness per 100 employees by 15% over five years (2% in FY 2004, 3% in FY 2005-2007 and 4% in FY 2008).

Major RDU Accomplishments in 2003

Wage and Hour staff collected over \$1,620,000 in wages, penalties and interest owed to Alaskan workers.

The Mechanical Inspection section inspected 6,616 boiler/pressure vessels, reducing the backlog from 7,200 to 5,268 overdue boiler/pressure vessels.

The Occupational Safety and Health section reduced the rate of lost work day injuries per 100 employees in Alaska's high hazard industries (construction, seafood, logging, utilities and hospitals) by 10.6 % based on Workers' Compensation claim data.

Contact Information

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**Labor Standards and Safety
RDU Financial Summary by Component**

All dollars shown in thousands

	General Funds	FY2003 Actuals Federal Funds	Other Funds	Total Funds	General Funds	FY2004 Authorized Federal Funds	Other Funds	Total Funds	General Funds	FY2005 Governor Federal Funds	Other Funds	Total Funds
Formula												
Expenditures												
None.												
Non-Formula												
Expenditures												
Wage and Hour Administration	0.0	0.0	0.0	0.0	1,341.0	0.0	35.1	1,376.1	1,392.4	0.0	36.1	1,428.5
Mechanical Inspection	0.0	0.0	0.0	0.0	0.0	0.0	1,839.0	1,839.0	61.1	0.0	1,806.3	1,867.4
Occupational Safety and Health	0.0	0.0	0.0	0.0	2.6	1,975.4	1,544.8	3,522.8	2.6	2,004.1	1,558.2	3,564.9
Alaska Safety Advisory Council	0.0	0.0	0.0	0.0	0.0	0.0	109.7	109.7	0.0	0.0	111.3	111.3
Totals	0.0	0.0	0.0	0.0	1,343.6	1,975.4	3,528.6	6,847.6	1,456.1	2,004.1	3,511.9	6,972.1

**Labor Standards and Safety
Summary of RDU Budget Changes by Component
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	1,343.6	1,975.4	3,528.6	6,847.6
Adjustments which will continue current level of service:				
-Wage and Hour Administration	0.0	0.0	1.0	1.0
-Mechanical Inspection	0.0	0.0	59.6	59.6
-Occupational Safety and Health	0.0	68.9	53.6	122.5
-Alaska Safety Advisory Council	0.0	0.0	1.6	1.6
Proposed budget decreases:				
-Wage and Hour Administration	-60.3	0.0	0.0	-60.3
-Mechanical Inspection	0.0	0.0	-103.7	-103.7
-Occupational Safety and Health	0.0	-40.2	-40.2	-80.4
Proposed budget increases:				
-Wage and Hour Administration	111.7	0.0	0.0	111.7
-Mechanical Inspection	61.1	0.0	11.4	72.5
FY2005 Governor	1,456.1	2,004.1	3,511.9	6,972.1